

Proposed Oil and Gas Rule Changes

Stakeholders Meeting

May 26, 2016



Permit by Rule for New and Existing Sources

- Post 2014 Compliance Letter resulted in 600-700 minor source permits to oil and gas sources
- Look to streamline permitting process
- Oil and Gas sites are very similar in operation and equipment
- Create consistency and expediency on State Lands
- Should be very similar to upcoming reservation specific FIP
- Simplify compliance for both operators and regulators
- Rules based upon current Best Available Control Technology utilized for current minor source permits

Proposed Concepts for Rules

- New and existing oil and gas production sources statewide would register with the DAQ rather than apply for minor source permit
- New sources certify prior to operation that they are in compliance with a series of rules and existing sources(including those with permits) would have 18 months or another phase-in time-line to come into compliance and certify compliance
- This may have some existing sources subject to additional requirements
- Goal is to be in alignment with OOOOa as much as possible

Proposed Concepts for Rules

- Pollution controls on tank batteries with uncontrolled emissions greater than 4 tpy
- Pollution controls on dehydrators with uncontrolled emissions greater than 4 tpy, either on their own or combined with tank battery
- Pneumatic pump emissions controlled if controls exist already for other equipment on site

Proposed Concepts for Rules

- Wet seal compressors reduce emissions by 95% and reciprocating compressors replace rod packing every 36 months or every 26,000 hours of operation
- Control devices would have 95% control/destruction efficiency
- Self-Performed leak detection (inspections) and repair requirements – frequency based upon production? PTE? More frequent or less depending on number of leaks discovered – follow OOOOa
- Thief hatches on tanks required to be closed and latched when not in use and inspected on some frequency

Proposed Concepts for Rules

- Upgraded and compliant engines, regardless of age
- Assess a fee with registration
- Recording keeping to allow inspections to confirm compliance

Why Now?

- Anticipate designation as nonattainment for 2015 Ozone Standard for Uinta Basin and Wasatch Front
- Exceeded standard during February 2016 inversion with downturn in drilling and production
- Timeline for rule would support either a marginal or moderate classification
 - Moderate – implementation in 2018 would be after the base year of 2017
 - Marginal – only have 3 years to achieve attainment

Process and Estimated Timeline

- Stakeholder process on concepts of rules; owners, operators, government agencies and environmental groups – May/June 2016
- Draft rules – June/July 2016
- Provide draft rules to stakeholders and receive comments – August 2016
- Present proposed rules to Air Quality Board – October 2016
- Promulgated – January 2017

Questions?/Discussion

Ozone information and Air Quality Information

<http://www.deq.utah.gov/>

Ozone SIP Coordinator for Uinta Basin

Sheila Vance

801-536-4001

svance@utah.gov